

Honolulu, Hawaii

MAR 06 2015

RE: S.B. No. 519  
S.D. 2

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 519, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to require operators of transient accommodations and plan managers of resort time share vacation plans to inform consumers that they are in compliance with registration requirements.

More specifically, this measure:

- (1) Amends Act 326, Session Laws of Hawaii 2012, by removing the repeal date, thereby making it permanent; and
- (2) Authorizes the Department of Taxation to enforce civil penalties for operators and plan managers who fail to conspicuously display the required certificate of registration or notice.

Your Committee received written comments in support of this measure from the Hawaii Lodging and Tourism Association and eleven individuals. Your Committee received written comments on this measure from the Hawaii Association of Realtors, Hawaii Association of Vacation Rental Managers, and one individual.

Your Committee finds that Act 326, Session Laws of Hawaii 2012, promotes compliance with registration requirements by, among



other things, requiring that operators of transient accommodations include government-issued registration identification numbers in all internet advertisements and solicitations. Your Committee further finds that providing the Department of Taxation with the authority to enforce civil penalties against operators and plan managers who fail to conspicuously display the required certificate of registration or notice is a suitable method of enforcing compliance with registration requirements.

Your Committee has amended this measure by:

- (1) Amending Act 326, Session Laws of Hawaii 2012, to extend its repeal date by five years, rather than making it permanent;
- (2) Requiring the Department of Taxation to submit an annual report to the Legislature regarding the implementation of Act 326, Session Laws of Hawaii 2012, and recommendations to improve the enforcement of that Act; and
- (3) Making technical nonsubstantive amendments for the purposes of consistency and clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 519, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 519, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
\_\_\_\_\_  
JILL N. TOKUDA, Chair



The Senate  
 Twenty-Eighth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

3/2/15 (N/A)

Bill / Resolution No.:* <b>SB519 SD1</b>	Committee Referral: <b>TSI/CPN/JDL,          WAM</b>	Date: <del>2/26/15</del>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
<b>Members</b>	<b>Aye</b>	<b>Aye (WR)</b>	<b>Nay</b>	<b>Excused</b>
TOKUDA, Jill N. (C)	✓			
KOUCHI, Ronald D. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.				✓
ENGLISH, J. Kalani	✓			
GALUTERIA, Brickwood	✓			
HARIMOTO, Breene	✓			
INOUYE, Lorraine R.	✓			
RIVIERE, Gil	✓			
RUDERMAN, Russell E.	✓			
SLOM, Sam	✓			
<b>TOTAL</b>	10	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes